



UNDERWRITING BULLETIN

To: All Florida Agents of WFG National Title Insurance Company

From: WFG Florida Underwriting Department

Date: September 9, 2013

Bulletin No.: FL 2013-11

Re: Florida Prohibits Separate Release Tracking or Post-Closing Lien Search Fees

The Florida Department of Financial Services, in its [August newsletter](#), explained that title agents and attorney-agents insuring Florida properties are not permitted to charge separate "release tracking" or "post closing lien search" fees as these services are already compensated as part of the Florida premium. The same rationale would apply to "file storage," "scanning" and other separate fees for services that are already an obligation of a title agent under Florida law.

This type of article usually indicates that the Department has identified a problem and intends to start enforcing violations through fines and other penalties. We encourage all of our agents to be aware of and compliant with DFS' position on this matter.

If you have been charging this type of fee, we encourage you to stop immediately. Release Tracking services provide a definite value and can help an agency more efficiently make sure liens are properly cleared and avoid future claims – we just can't charge for them separately.

Here is the full text of DFS article:

Title Agencies: Release Tracking or Post Closing Lien Search Fees

The Florida Statutes defines "primary title services" to mean determining insurability in accordance with sound underwriting practices based upon evaluating a title search or such other information, determining and clearing of underwriting objections and requirements to eliminate risk, preparing and issuing a title insurance commitment, and preparing and issuing the policy. Such services do not include closing services or title searches, for which a separate charge or separate charges may be made.

The Florida Statutes further define "premium" as the charge that is made by a title insurer for a title insurance policy, including the charge for performing primary title services, and incurring the risks incident to such policy, under the several classifications of title insurance contracts and forms. The word "premium" does not include a commission.

Under primary title services the title insurance agent or agency is required to perform a determination and clearance of underwriting objections and requirements to eliminate risk. If the

agent or agency fails to verify that the proper releases have been satisfied and recorded then these requirements have not been fulfilled.

You will note that primary title services are considered to be a part of the premium. Therefore, charging a separate fee for tracking a release or performing the post closing search to confirm the status of the property's title would be considered to be charging an additional premium to the insured, which is not permitted.

[See 627.7711, Florida Statutes]

If you have any questions about this, please contact your favorite WFG underwriter.

NOTE: This Bulletin should not be interpreted as reflecting negatively upon the character of an individual or entity and is for the sole purpose of establishing underwriting positions reflecting WFG National Title Insurance Company's best business judgment. The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company and its agents. Disclosures to any party not described above are prohibited unless approved in writing by the WFG National Title Insurance Company's Underwriting Department.



P: (407) 562-1946 | D: (407) 562-1267 | C: (407) 399-7553
Web: www.wfgnationaltitle.com